

STATE OF SOUTH CAROLINA)
) BEFORE THE STATE ETHICS COMMISSION
COUNTY OF RICHLAND)
)
IN THE MATTER OF:)
Complaint 2010-138)
)
Serji Amirkhanian,) CONSENT ORDER
Respondent)
)
State Ethics Commission,)
Complainant.)
)

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This matter comes before the State Ethics Commission by virtue of a complaint filed by the Commission on June 23, 2010. The complaint against the Respondent, Serji Amirkhanian, was considered by the Commission on September 15, 2010 and probable cause found to warrant an evidentiary hearing. Prior to the call of the case, Respondent agreed to entry of the following statement of facts, conclusions of law, discussion, admission and disposition in this matter as follows.

STATEMENT OF FACTS

1. The Respondent, Serji Amirkhanian, was a public employee of Clemson University in its Civil Engineering Department.

2. Respondent advised that in about 2001 Clemson University employee Frank Eskridge, who was Director of Construction Industry Cooperative Alliance (CICA) approached Respondent and requested that his private consulting business known as Envirocycle perform work for Clemson University. All required forms and disclosures were filed with and made to Clemson University at the beginning of this business

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relationship. From 2001 to 2007 Envirocycle performed regular consulting work for Clemson University. Eskridge authorized all the payments for services made from Clemson to Envirocycle each time they were submitted by Respondent on behalf of Envirocycle. After Eskridge retired from Clemson, instead of hiring a replacement Director, Clemson University assigned the Respondent the responsibilities of Director of CICA. No other changes were made to the operation of CICA or to the regular process of submission and payment of invoices provided by Envirocycle. The frequency, method and type of activities for which Envirocycle submitted invoices, remained consistent with and similar to its previous submissions. Respondent advised that he did, as acting Director, personally authorized and approved two such disbursement vouchers for payments to be made to Envirocycle. One of these payments was in the amount of \$5,000.00 on November 12, 2009; the other was in the amount of \$4,500.00 and dated December 3, 2009.

3. A Commission investigator reviewed the Clemson disbursement vouchers showing payments made to Envirocycle during the period 2001 to 2009. It was noted that the two vouchers cited above were approved for payment by Respondent. All other vouchers requesting payment to Envirocycle were approved by Eskridge prior to his retirement.

4. There is no evidence to suggest that invoices submitted by Envirocycle were for work that had not been previously authorized or for work that was not actually performed by Envirocycle.

5. Sometime after these invoices were paid in this manner, the procedure was modified to get additional signatures on the vouchers.

CONCLUSIONS OF LAW

Based upon the Statement of Facts, the Commission concludes, as a matter of law:

1. During all times relevant, the Respondent, Serji Amirkhanian, was a public employee, as defined by S.C. Code Ann § 8-13-100(27) (Supp.2010).
2. The State Ethics Commission has personal and subject matter jurisdiction.
3. Section 8-13-700(A) prohibits a public employee from using his official office to obtain an economic interest for a business with which he is associated.
4. Section 8-13-100(4) defines 'Business with which he is associated' as a business of which the person or a member of his immediate family is a director, an officer, owner, employee, a compensated agent or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

DISCUSSION

In or about 2001 Clemson University employee Frank Eskridge, who was then Director of Construction Industry Cooperative Alliance (CICA) approached Clemson University employee and faculty member, Serji Amirkhanian, and requested that Amirkhanian's private consulting business known as Envirocycle, perform work for Clemson University. Amirkhanian and the University reached an agreement and Envirocycle began providing such services some of which involved the teaching of non-

university employees various operational methods related to outside industry and regulators. Amirkhanian did not teach these classes during his regularly scheduled teaching and administrative activities and were pre-approved for consulting or dual employment duties. They were not university credit course taught to Clemson students. All such activities were taught in accordance to university procedures and duly authorized by the university. Funding for these activities came from outside vendors and not from the university. Any facility fees for these classes were paid for by the attendees and not the university. All required state and university forms and disclosures were filed with the university at the outset. The only issue related to the performance of these services performed by Amirkhanian and his company Envirocycle, are those related to two invoices as described herein. During these times and up until Dr. Amirkhanian left the university in 2010, the University profited greatly from the conduct of these classes as well as other services provided by Envirocycle and Dr. Amirkhanian. From 2001 to 2007, when Envirocycle performed regular consulting work for Clemson University, Eskridge authorized all the payments for services made from Clemson to Envirocycle each and every time they were submitted by Amirkhanian on behalf of Envirocycle. Such invoices ultimately had to be approved by Eskridge's supervisors, including Dr. Aziz current department chair, the Dean and others. At no time was there ever a period of time when it became unclear that Envirocycle was solely owned and operated by Dr. Amirkhanian. After Eskridge retired from Clemson in 2007, instead of hiring a replacement Director, Dr. Aziz, Department Chair, assigned the Respondent the responsibilities of operating CICA. No other changes were made to the operation of CICA or to the regular process of submission and payment of invoices provided by Envirocycle. The chain of approval

required for such invoices from Dr. Aziz up through the university remained the same. The frequency, method and type of activities for which Envirocycle submitted invoices, remained consistent with and similar to its previous submissions. As acting head of CICA, Amirkhanian personally authorized many invoices for the department as well for CICA, including the two vouchers for payments to be made to Envirocycle cited herein. One of these payments was in the amount of \$5,000.00 on November 12, 2009; the other was in the amount of \$4,500.00 and dated December 3, 2009. All such authorizations were within the parameters of his assigned duties at Clemson University. All such invoices were countersigned and approved by several different persons above Amirkhanian in the "chain of command".

ADMISSIONS

The Respondent, Serji Amirkhanian, admits a technical violation of Section 8-13-700(A), in that no other counter signature was obtained on the first page of these two invoices. He does point out that these invoices were approved by higher authorities at the university before they were paid. Such authorizations came from those at the university who knew of his ownership of Envirocycle. He submitted the same type of invoices for several years before and after the two cited above, all of which were duly authorized and paid for by the university. All such invoices were for the same type of work, after having made full disclosures of his ownership of Envirocycle to the university and the State of South Carolina.

DISPOSITION

The State Ethics Commission hereby accepts his admission and finds Serji Amirkhanian in technical violation of Section 8-13-700(A) and hereby adopts the Statement of Facts, Conclusions of Law, Discussion, Admissions and Disposition as agreed upon by Respondent.

THEREFORE, the State Ethics Commission hereby publicly reprimands Serji Amirkhanian for his violation of Section 8-13-700(A) of the Ethics Reform Act,


AND, order Respondent to pay a fine of \$1,500.00 within 90 days of receipt of the signed order.

AND, orders Respondent to pay an administrative fee of \$500.00 within 90 days of receipt of the signed order,

AND, all other pending allegations are dismissed with prejudice.

AND IT IS SO ORDERED THIS 30th DAY OF December 2011.

STATE ETHICS COMMISSION


Serji Amirkhanian
Respondent


PHILLIP FLORENCE, JR.
CHAIR